

## Message Text

LIMITED OFFICIAL USE

PAGE 01 VIENNA 09004 230337Z

16

ACTION EUR-12

INFO OCT-01 ISO-00 CPR-01 IO-04 CIAE-00 DODE-00 PM-03 H-01

INR-05 L-02 NSAE-00 NSC-05 PA-01 RSC-01 PRS-01 SP-02

SS-15 USIA-06 TRSE-00 EB-04 /064 W

----- 084886

R 221635Z OCT 74

FM AMEMBASSY VIENNA

TO SECSTATE WASHDC 0000

LIMITED OFFICIAL USE VIENNA 9004

E.O. 11652: N/A

TAGS: EFIN, AU

SUBJECT: VIENNA DIPLOMATIC CORPS' APPROACH TO CHANCELLOR ON VAT

REF: A. VIENNA 8685, B. VIENNA 8091

1. SUMMARY: DIPLOMATIC CORPS DELEGATION PRESENTED ITS CASE TO CHANCELLOR KREISKY OCT. 21 FOR EXEMPTING OFFICIAL AND PERSONAL PURCHASES OF DIPLOMATIC MISSIONS AND THEIR PERSONNEL IN VIENNA FROM VALUE ADDED TAX (VAT). CHANCELLOR'S REACTION WAS POSITIVE AND HE PROMISED TO LOOK INTO MATTER. END SUMMARY

2. A DELEGATION OF VIENNA'S DIPLOMATIC CORPS, HEADED BY APOSTOLIC NUNCIO AND CONSISTING OF AMBASSADOR HUMES (CHAIRMAN OF CORPS' VAT COMMITTEE AND REPRESENTING NORTH AMERICA), AND FIVE OTHER AMBASSADORS REPRESENTING OTHER WORLD GEOGRAPHIC AREAS PRESENTED TO CHANCELLOR KREISKY LATE AFTERNOON OCT. 21 CORPS' CASE FOR EXEMPTION FROM APPLICABILITY OF VAT. PRESENT AT MEETING FROM AUSTRIAN SIDE IN ADDITION TO KREISKY WERE FONMIN BIELKA, CHANCELLOR'S FOREIGN POLICY COORDINATOR THALBERG, AND SEVERAL AUSTRIAN EXPERTS, NONE OF WHOM SPOKE DURING SESSION.

3. AFTER SETTING FORTH PURPOSE OF MEETING APOSTOLIC  
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 VIENNA 09004 230337Z

NUNCIO PASSED ACTION TO AMBASSADOR HUMES WHO REVIEWED

IN DETAIL (1) DESULTORY COURSE TO TALKS CORPS HAS HAD THUS FAR WITH LOWER LEVELS OF AUSTRIAN GOVERNMENT AND (2) STRONG LEGAL, ECONOMIC AND POLITICAL ARGUMENTS FOR VAT EXEMPTION (E.G. RECIPROCITY AND CUSTOM AND PRACTICE; THREAT OF RETALIATION OF OTHER GOVERNMENTS IN ADDITION TO ITALY OF IMPOSING TAX REQUIREMENT ON AUSTRIAN DIPLOMATS; EXEMPTION OF DIPCORPS IN US FROM SALES TAX, NEAREST EQUIVALENT TO VAT; PROVISION BY ALL EC COUNTRIES EXCEPT FRANCE OF SOME RELIEF FROM VAT; AUSTRIA'S INTEREST IN LOCATING CONFERENCES AND INTERNATIONAL ORGANIZATIONS IN VIENNA; AND DECISION BY IIASA TO LOCATE IN VIENNA AFTER FRENCH REFUSED TO EXTEND RELIEF ON VAT).

4. OTHER CORPS AMBASSADORS FOLLOWED HUMES PRESENTATION WITH ENDORSEMENT OF CORPS COMMITTEE'S POSITION ON VAT AND CITED EXEMPTIONS OR ACCOMMODATION ON TAXES, INCLUDING VAT, BEING EXTENDED TO DIPLOMATIC CORPS BY GOVERNMENTS ON CONTINENTS WHICH THEY REPRESENT ON CORPS VAT COMMITTEE.

5. KREISKY TOLD CORPS DELEGATION HE TOOK SYMPATHETIC, UNDERSTANDING VIEWPOINT ON THEIR PRESENTATION, SAID HE WOULD TAKE UP MATTER WITH FINANCE MINISTRY AND ASSURED CORPS THAT SOMETHING COULD BE WORKED OUT ACCEPTABLE TO ALL PARTIES CONCERNED.

6. CORPS COMMITTEE'S CRITIQUE OF MEETING WAS THAT IT HAD MADE EFFECTIVE PRESENTATION AND THAT WITH CHANCELLOR NOW ACTIVELY ENGAGED ON SUBJECT, MORE POSITIVE ACTION FROM AUSTRIAN SIDE SHOULD BE FORTHCOMING. HUMES

LIMITED OFFICIAL USE

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** VALUE ADDED TAXES, DIPLOMATIC CORPS, MEETING DELEGATIONS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 22 OCT 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** golinofr  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974VIENNA09004  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D740301-0986  
**From:** VIENNA  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1974/newtext/t19741025/aaaaavaz.tel  
**Line Count:** 92  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EUR  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:**  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** A. VIENNA 8685, B. VIENNA 8091  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** golinofr  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 26 MAR 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <26 MAR 2002 by elyme>; APPROVED <23 MAY 2002 by golinofr>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** VIENNA DIPLOMATIC CORPS' APPROACH TO CHANCELLOR ON VAT  
**TAGS:** EFIN, AU  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005